

EMPLOYMENT DEVELOPMENT DEPARTMENT

Although New Telephone Services Have Enhanced Customer Access to the Department's Unemployment and Disability Insurance Programs, Customers Encounter Difficulties During Peak Calling Periods

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Employment Development Department's response as of July 2002

Audit Highlights . . .

Our review of the Employment Development Department's (department) introduction of toll-free telephone services for customers of its unemployment insurance and disability insurance programs reveals that:

- Its efforts have improved customer service and increased the public's access to the programs.*
 - Customers of both programs are generally satisfied with the services.*
 - Despite its efforts, callers may encounter busy signals, hear instructions to call back later, or endure lengthy waits if they ask to speak to a customer service representative during certain periods.*
 - The department cannot measure whether the programs have met the goals established for desired response times to their customers.*
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Chapter 329, Statutes of 1998, directed the Bureau of State Audits to review the effects that the introduction of toll-free telephone services had on the Employment Development Department (department) and customers of its unemployment insurance (UI) and disability insurance (DI) programs. Our review indicates that the department's efforts have improved customer service and enhanced customer access to the programs. In addition, customers of the programs were generally satisfied with the services they received over the telephone. Despite its efforts, the department can make further improvements. Specifically, we found:

Finding #1: During certain periods, customers of the department's UI and DI programs have experienced difficulties when requesting customer assistance. Staffing shortages and phone system failures contributed to the problems the customers encountered.

Callers to the UI program's toll-free telephone numbers have experienced lengthy wait times during certain busy periods. For example, more than 60 percent of the UI program's callers during a peak service period in February 2001 waited on hold five or more minutes to speak to a customer service representative. In contrast, 18 percent waited on hold five or more minutes during December 2000. The department asserted that staffing shortages have contributed to its difficulties in providing prompt customer service. It attributed the shortages in part to the complexities and slowness of the civil service hiring process. Thus, the department has begun to explore alternative hiring methods to reduce the lengthy wait times.

Customers of the DI program experienced staffing shortages as well as other problems. As of April 2001 the program only had 58 percent of the authorized customer service representatives in its two call centers available to take calls. With the staffing shortages, callers may find it more difficult than usual to obtain information. For instance, over a 15-month period from January 2000 through March 2001, the telephone system at DI call centers required nearly 687,000 (27 percent) of the 2.5 million callers who asked for customer assistance to call again. Additionally, nearly 31,000 callers routed to the DI program's call centers received busy signals in the first three months of 2001 when its telephone system faced numerous breakdowns after the installation of new equipment. Only 850 callers encountered busy signals during the same period in 2000.

We recommended that the department continue to explore ways and methods within the State's civil service system to hire and retain customer service representatives. Additionally, the department should consider performing a study to examine the effect on UI call center workloads of increasing business hours for call centers during peak calling periods.

We also recommended for the DI program that the department complete customer service contingency plans and limit the effect and number of system breakdowns during installation of future system changes.

Department Action: Partial corrective action taken.

The department initiated continuous filing in its hiring process to ensure an ongoing pool of eligible candidates for service representatives in the UI and DI programs. Additionally, the State Personnel Board adopted changes in the minimum qualifications of the service representatives. The department also continued to hire extensively in its UI and DI field offices after it requested and received until May 2002 an exemption from a state employee hiring freeze. Despite the department's efforts, it states that service problems have not yet been resolved in the UI call centers because of its staff attrition rate, increased workload, and time to train staff. Thus, the department has redirected staff from other programs to meet its increased UI program demands. Further, the department studied the effect on UI call center workloads of extending its business hours. It found that the increased hours of operation had limited benefits. However, the

department states its implementation of Internet claim filing has had a positive effect on UI call center workloads. Thus, the department plans to continue its Internet-based UI claim filing efforts to improve access to services. For the DI program, the department saw improvements in its call center workload when it conducted a pilot program to extend business hours. As a result, the department plans to conduct a cost-benefit analysis to determine if extended business hours are feasible during certain calling periods.

To limit the effect and number of system breakdowns for the DI program, the department states it has developed contingency plans that are under review by DI program management. It has also purchased software that allows it to more easily reroute customer service calls and take corrective action when system breakdowns occur.

Finding #2: The department cannot measure for the UI and DI programs whether it has met the goals established for its desired response times to customers.

The department established separate response time goals for its UI call center staff to answer calls requesting information and to answer claim-filing calls. However, since 1999 one of the department's system modifications eliminated its ability to distinguish information calls from claim-filing calls. In addition, reports prepared for management do not detail how well the call centers are doing as far as meeting the goals. The department is evaluating a proposed goal that it can use to measure the response time for all UI customer calls.

The department set a goal for its DI call centers and customer service units to answer in four minutes 90 percent of all calls requesting information. However, it evaluates the program's performance from management reports that do not routinely include the customer service units, which receive 42 percent of the program's calls. Additionally, its management reports do not indicate its performance in meeting its stated goal.

We recommended the department promptly complete for the UI program its process for setting challenging yet reasonable goals for answering customer calls. The department should also modify the DI program's management reports to include the call activity at its customer service units. We further recommended that the department modify the management reports for both programs to measure their performance in meeting their goals.

Department Action: Partial corrective action taken.

The department states for the UI program that, although it is analyzing data to establish reasonable response time goals and modify management reports to measure performance, it has directed its efforts to hire and train more call center staff and increase access to its services. For the DI program, the department has modified its management reports to measure its performance in meeting its goal. However, the management reports do not include call activities at its customer service units. The department states that outdated equipment prevents it from capturing the data. Additionally, the department is working to establish another DI call center to handle the calls routed to the customer service units.

Finding #3: The department should conduct planned customer satisfaction surveys of certain UI and DI program customers.

We found that the department has begun only recently to conduct surveys of specific UI customer groups, such as Cantonese- and Vietnamese-speaking customers or teletypewriter users. Prior surveys performed by the department were unlikely to get representation from these groups because their populations are relatively small.

Department Action: Corrective action taken.

The department completed for the UI program its pilot surveys of teletypewriter users and customers speaking Cantonese and Vietnamese. The department now includes these customers when it conducts its annual survey to obtain feedback on UI services received. Further, the department conducted a survey of DI program customers and reported its results in December 2001. It conducted another survey of DI customers in March 2002 and plans to report the results by July 31, 2002.